

# India, UK sign free trade deal as PM Modi meets British counterpart Starmer: 10 points

*India-UK free trade deal: The FTA is expected to benefit 99 per cent Indian exports from tariff*

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 **NewsGuard**

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India UK Trade Deal: Britain's Prime Minister Keir Starmer welcomes Indian Prime Minister Narendra Modi at Chequers near Aylesbury, England. (Source: AP)

**India-UK free trade deal:** India and the UK signed their long-awaited Free Trade Agreement on Thursday, which will boost bilateral trade by around \$34 billion annually.

**Here are 10-point on the free trade agreement to be signed by India and the UK:**

✦ The agreement was signed by Commerce Minister [Piyush Goyal](#) and UK Trade Minister Jonathan Reynolds, in the presence of Prime Minister [Narendra Modi](#) and British PM Keir Starmer.

✦ The FTA will eliminate tariffs on about 99% of tariff lines, covering nearly 100% of the trade value, according to the Commerce Ministry. This is expected to unlock substantial new opportunities in both economies.

✦ The signing took place at Chequers, the official country residence of the British prime minister, located about 50 km northwest of London, where PM Modi met PM Starmer.

✦ Calling it a “historic day” in India-UK ties, PM Modi said the agreement would especially benefit Indian youth, farmers, fishermen, and small and medium enterprises.

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✦ Key Indian exports such as agricultural produce, processed food, textiles, footwear, seafood, gems and jewellery, and engineering goods will gain greater market access in the UK under reduced tariffs.

✦ British exporters are also set to benefit, with officials saying the deal will make it easier for UK firms to sell whisky, cars, and other goods in the Indian market, thereby broadening the trade basket.

✦ PM Starmer hailed the FTA as the most significant trade agreement the UK has signed since Brexit, describing it as a “comprehensive” pact that sends a powerful message that “Britain is open for business.”

✦ The deal is expected to create new jobs in the UK, particularly for engineers, technicians, and workers in the aerospace, tech, and advanced manufacturing sectors, Starmer said.

✦ “We’re putting more money in the pockets of hardworking Brits... and we’re determined to go further and faster to grow the economy and raise living standards,” Starmer added, underlining the FTA’s domestic impact.

✦ The agreement is expected to ease the export of whisky, automobiles, and other goods from the UK to India, officials said, while significantly expanding the overall trade portfolio between the two nations.





Britain's Prime Minister Keir Starmer and Prime Minister Narendra Modi of India shake hands after Britain's Secretary of State for Business and Trade, Jonathan Reynolds, left, and Piyush Goyal, Minister of Industry and Supply of India, right, signed a free trade agreement at Chequers near Aylesbury, England, Thursday, July 24, 2025. (AP Photo/Kin Cheung, Pool)

## What will be the impact of India-UK trade deal

A reduction in tariffs, combined with a reduction in regulatory barriers to trade between the UK and India, are estimated to:

Increase UK exports to India by nearly 60 per cent in the long run – this is equivalent to an additional £15.7 billion of UK exports to India when applied to projections of future trade in 2040.

Increase bilateral trade by nearly 39 per cent in the long run, equivalent to £25.5 billion a year, when compared to 2040 projected levels of trade in the absence of an agreement

It was earlier today, when PM Modi arrived in London for a two day visit, where is expected to meet King Charles.

“During my meeting with Prime Minister Keir Starmer, we will have the opportunity to further enhance our economic partnership, aimed at fostering prosperity, growth and job creation in both countries. I also look forward to calling on His Majesty King Charles III during the visit,” the Prime Minister said in his departure statement.

On his arrival, PM Modi was greeted by members of the Indian diaspora upon his arrival. Sharing photographs of the welcome on social media, he wrote: “Touched by the warm welcome from the Indian community in the UK Their affection and passion towards India’s progress is truly heartening.”

After the UK, the PM travels to Maldives to participate as a Guest of Honour at the country’s 60th independence day celebrations. This year also marks the 60th anniversary of the establishment of diplomatic relations between India and Maldives.

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